

123. All acts done by any meeting of the Board or of a committee of the Board appointed under Article 122 or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were or was disqualified from holding office or had in any way vacated their or his office be as valid as if every such person had been duly appointed and was qualified to be a director.

124. (A) A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the Board, shall be as valid and effective for all purposes as if it had been passed at a meeting of the Board duly convened and held, and may consist of two or more documents in like form each signed by one or more of the directors, and may be in any form, including facsimile transmission.

(B) Any or all of the directors or any members of a committee or sub-committee of the Board may participate in a meeting of the Board or that committee or sub-committee by means of a conference telephone, videoconferencing or any communication equipment which allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the chairman of the meeting is present.

Managing and Executive Directors

125. (A) Subject to the provisions of the Acts, the Board may from time to time appoint one or more of their body to be the holder of any executive office (including where considered appropriate the offices of chairman, deputy chairman, vice chairman, managing director, or any other similar office by whatsoever title it is known, or howsoever described, a joint holder of or deputy or assistant to any such office) for such period and on such terms as they think fit, and may without prejudice to any claim for damages for any breach of any contract or service between the director and the company, revoke or vary the terms of any such appointment. The appointment of any director to any such executive office as aforesaid shall automatically determine if he ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(B) No director may hold the office of executive chairman of the Company or, if there is no such executive chairman, the office of chief executive or joint chief executive of the Company (by whatsoever name called) unless he is a British citizen within the meaning of the British Nationality Act 1981.

126. The Board may entrust to and confer upon a director any of the powers exercisable by them with power to sub-delegate upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers but no person dealing in good faith and without notice of such revocation, withdrawal or alteration shall be affected thereby.

Secretary

127. Subject to the provisions of the Acts the Secretary shall be appointed by the Board on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as joint secretaries. The Board may also appoint from time to time on such terms as they think fit one or more deputy secretaries or some person to act as temporary secretary.

128. A provision of the Acts or the Articles requiring or authorising a thing to be done by or to a director and the Secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the Secretary.

Seal

129.(A) The Board shall provide for the safe custody of the Seal and the Securities Seal (if any) and neither shall be used without the authority of the Board or of a committee authorised by the Board in that behalf.

(B) Every instrument to which the Seal shall be affixed shall be signed autographically in any of the following manners:-

- (i) by one director and the Secretary;
- (ii) by two directors; or
- (iii) by a person duly authorised by the Board either generally or in relation to specific instruments or instruments of specific descriptions.

(C) Notwithstanding the provisions of Paragraph (B) of this Article the Board may resolve to dispense with autographic signatures of all or any person referred to in that paragraph in relation to specific instruments or instruments of specific descriptions, and in substitution therefor to authorise signatures to be affixed by some method or system of mechanical signature approved by the Board.

(D) Notwithstanding the provisions of Paragraph (B) of this Article and without prejudice to Paragraph (C) of this Article the Board may resolve in the case of any certificates for shares or debentures or other securities of the Company to dispense with any or all of the signatures referred to in Paragraph (B) of this Article.

(E) The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

(F) Notwithstanding the provisions of Article 122 a committee authorised by the Board for the purposes of Paragraph (A) of this Article may consist entirely of one or more persons other than directors.

Authentication of Documents

130. Any director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company, the Board, or any committee, or any local or area board which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

Reserves

131. Subject to the Acts the Board may, before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such manner as the Board think fit. The Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Board may also without placing the same to reserve carry forward any profits.

Dividends

132. Subject as hereinafter provided, the Company by Ordinary Resolution may declare dividends in accordance with the respective rights and priorities of Members, but no dividend shall exceed the amount recommended by the Board.

133. The Board may from time to time declare and pay to the Members such interim dividends, and such fixed or other dividends payable upon any preference or other shares at stated times, as appear to the Board to be justified by the position of the Company.

134. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

135. The Board may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.

136. Subject to the provisions of the Acts and the Telecommunications Act 1984, where any asset, business or property is acquired by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses arising therefrom as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

137. Any General Meeting declaring a dividend or bonus may upon the recommendation of the Board by Ordinary Resolution direct payment of a dividend or bonus in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company or in any one or more of such ways) and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.

138. The Company may pay any dividend, interest or other moneys payable in cash in respect of shares by direct debit, bank transfer, cheque or dividend warrant and may remit the same directed to the registered address of the Member or person entitled thereto or, in the case of joint holders, to the registered address of the joint holder whose name stands first in the Register, or, in the case of two or more persons being entitled to a dividend, interest or other money in consequence of the death or bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons, or to such person and to such address as the holder or joint holders or such other persons may in writing direct. In the case of a Member who is also an employee of the Company or any of its subsidiaries, the Company may remit any dividend, interest or other moneys as aforesaid to such Member through the Company's internal postal arrangements. The Company shall not be responsible for any loss of any such cheque or warrant. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, or to such person as the holder or joint holders or other person entitled thereto may in writing direct, and the payment of such cheque or warrant shall be a good discharge to the Company. Any one of two or more joint holders or persons entitled to a dividend, interest or other moneys in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may give effective receipts for any dividends, interest or other moneys payable in respect of the share held by him as joint holder or to which he is jointly entitled as aforesaid.

139. The Board may but shall not be obliged to retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

140. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the holder thereof (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

141. No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Acts which apply to the Company.

142. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.

143. (A) The Board may, if authorised by an Ordinary Resolution and subject to the remaining provisions of this Article, operate a plan or plans for the benefit of the holders of Ordinary Shares of the Company under which the Board may give such holders one or more of the following options, in such manner as the Board may think fit, namely:-

- (i) in lieu of receiving any dividend (or, in the absolute discretion of the Board, any part thereof) declared or payable on all (or, in the absolute discretion of the Board, any part) of the Ordinary Shares held by them from time to time, to elect to receive additional Ordinary Shares credited as fully paid, on the terms and conditions of any such plan; or
- (ii) instead of accepting the net cash amount due to them in respect of any dividend (or, in the absolute discretion of the Board, any part thereof) declared or payable on all or, in the absolute discretion of the Board, any of the Ordinary Shares held by them or in their name from time to time, to elect either to invest such cash in subscribing for unissued Ordinary Shares in the capital of the Company payable in full or by instalments, or in paying up in full or by instalments any partly paid or unpaid Ordinary Shares issued by the Company and held by them from time to time, on the terms and conditions of any such plan; or
- (iii) any other option in respect of the whole or any part of any dividend on all or any Ordinary Shares held by them as the Board may in their absolute discretion determine.

(B) In respect of any such plan the following provisions shall apply:-

- (i) The authority contained in the said Ordinary Resolution for such plan may be in respect of a particular dividend, or any part thereof, or in respect of all or any dividends, or any part thereof, declared or payable within a specified period, but such period may not end later than the conclusion of the fifth Annual General Meeting following the date of the meeting at which the Ordinary Resolution is passed. The plan to which the authority relates may, in the absolute discretion of the Board, remain in force until the authority expires and is not renewed;
- (ii) The basis of allotment of new Ordinary Shares shall be determined by the Board so that, as nearly as may be considered convenient, the relevant value of the entitlement shall be equal to the cash amount (disregarding any tax credit) of the dividend the holder of such Shares foregoes. For this purpose the "relevant value" shall be calculated by reference to the average of the middle market quotation on the London Stock Exchange, as shown in the Daily Official List, on each of the first five dealing days on which the Ordinary Shares are quoted ex the relevant dividend, or in such other manner as may be determined by or in accordance with the Ordinary Resolution. A certificate or report by the Auditor as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;
- (iii) The Board shall give notice in writing to the holders of Ordinary Shares of the terms and conditions of any such plan and shall send with or following such notice forms of election so that they may exercise the rights granted;

- (iv) The Board may determine that an election by a Member may be specified to be a continuous mandate and need not be renewed annually or otherwise, and shall take effect until the mandate is revoked by the Member, in accordance with any procedure decided upon from time to time by the Board;
 - (v) For the purpose of any such plan the Board may capitalise out of such of the sums standing to the credit of any of the Company's reserves (including any share premium account, capital redemption reserve fund or any other undistributable reserve) or any of the profits which could have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of additional Ordinary Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the holders of Ordinary Shares entitled to the same;
 - (vi) The Board may do all acts and things considered necessary or expedient to give effect to any such plan (including, without limitation any such capitalisation) with full power to the Board to make such provisions as they think fit in respect of fractions, including provisions whereby, in whole or in part, fractional entitlements are paid in cash or are disregarded and/or rounded up and/or the benefit of fractional entitlements, in whole or in part, accrues to the Company rather than to the Members concerned and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any shareholder and such accruals or retentions are applied to the allotment, by way of bonus to or cash subscription on behalf of such shareholder, of fully Paid-up Ordinary Shares. The Board may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned;
 - (vii) The additional Ordinary Shares so allotted shall rank pari passu in all respects with the fully paid Ordinary Shares then in issue save only as regards participation in the relevant dividend in respect of which the Ordinary Shares have been issued (or share election in lieu);
 - (viii) The Board may in their absolute discretion on any occasion determine that rights of election shall not be made available to any holders of Ordinary Shares resident in or with registered addresses within or beyond any specified territories or jurisdictions or in respect of shares being represented by American Depositary Shares, or to any holders of Ordinary Shares in respect of whom the Board believes, in their absolute discretion, that it would be impractical or unduly onerous to make rights of election available or that for any other reason such rights should not be made available, and in any such event the provisions aforesaid shall be read and construed subject to such determination.
- (C) The power conferred under this Article and by any authority given by the Members shall not be exercised unless the Company shall then have, in order to give effect to the terms of any such plan:-
- (i) sufficient unissued shares capable of being issued as Ordinary Shares; and
 - (ii) if any shares are to be allotted other than for cash, sufficient profits available for distribution or reserves or funds standing to the credit of an appropriate account
- (D) The Board may, in their absolute discretion, suspend or terminate any such plan which is in operation, notwithstanding that there may be elections outstanding pursuant to such plan.
- (E) Any communication by the Board to the Members concerning any such plan, or any amendment thereto, (including the notices referred to in this Article) may be by advertisement published in accordance with Article 161(C).

144. All dividends, interest or other sums payable unclaimed after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends or interest unclaimed for a period of twelve years after having been declared shall, unless the Board otherwise resolves, be forfeited and shall revert to the Company. The retention by the Company of, or payment into a separate account of, any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share shall not constitute the Company a trustee thereof.

Capitalisation of Profits

145. (A) The Company may, upon the recommendation of the Board, at any time and from time to time pass an Ordinary Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportion, on the footing that the same be not paid in cash but applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that, for the purposes of this Article, a share premium account and a capital redemption reserve may be applied only in the paying up of unissued shares to be allotted to such Members credited as fully paid.

(B) The Company may, upon the recommendation of the Board, at any time and from time to time pass an Ordinary Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in the paying up in full of unissued shares to be allotted as fully paid shares by way of capitalisation to the Members or any class of Members who would have been entitled to that sum if it were distributed by way of dividend, and in the same proportions, and the Board shall give effect to such resolution.

(C) Where any difficulty arises in regard to any distribution under paragraph (A) or (B) of this Article the Board may settle the same as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem to be expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

Record Dates

146. Any resolution declaring a dividend on shares of any class or making provision for any distribution, allotment or issue for the holders of shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Board, may specify that the same shall be paid or made, as the case may be, to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and the dividend, distribution, allotment or issue shall be paid or made, as the case may be, to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

Accounts

147. The Board shall cause accounting records to be kept in accordance with the Acts.

148. The accounting records shall be kept at the Office or, subject to the Acts, at such other place or places as the Board think fit, and shall always be open to the inspection of the officers of the Company.

149. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Company or any of them shall be open to the inspection of Members not being officers of the Company, and no Member (not being an officer of the Company) shall have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Board or by the Company in General Meeting.

150. The Board shall from time to time in accordance with the Acts cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Acts.

151. (A) Subject to the provisions of Paragraph (C) of this Article, a copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the Auditor's report and the Board's report, shall not less than 21 days before the date of the meeting be sent to every Member and every holder of debentures of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Acts or the Articles.

(B) Any Member or holder of debentures to whom a copy of the documents referred to in Paragraph (A) of this Article has not been sent shall be entitled to receive a copy free of charge on application to the Office.

(C) Instead of the documents referred to in Paragraph (A) of this Article, the Company may send a summary financial statement prepared in accordance with the Acts and regulations made under the Acts to entitled persons (as defined in Section 251 (as amended in 1992) of the 1985 Act) where permitted by the Acts and the said regulations, subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with legal or practical problems arising in any overseas territory or by virtue of shares being represented by American Depositary Shares or the requirements of any regulatory body or stock exchange.

(D) This Article shall not require a copy of the documents referred to in Paragraph (A) or (C) of this Article to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

(E) There shall be forwarded to the appropriate officer at the London Stock Exchange such number of such documents as may for the time being be required by its regulations.

Auditors

152. An Auditor shall be appointed and his duties regulated in accordance with the Acts.

An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any Member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

153. Subject to the provisions of the Acts, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

Notices

154. (A) Any notice or document (including a share certificate) may be served on or delivered to any Member by the Company either by hand or by sending it through the post or other delivery service in a prepaid cover addressed to such Member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid.

(B) In the case of a Member registered on a branch register any such notice or document may be posted or dispatched either in the United Kingdom or in the territory in which such branch register is maintained.

(C) Where a notice or other document is served or sent by hand, it shall be deemed to be served at the time it is handed to or left for the Member at such address, addressed as aforesaid. Where it is sent by post or other delivery service, it shall be deemed to be served:-

(a) 24 hours after posting, where first class mail is employed; or

(b) 72 hours after it is posted or given to delivery agents (as the case may be) where any means of delivery other than first class mail is employed.

In proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, prepaid (where appropriate) and posted or given to delivery agents.

155. The Company may at its discretion serve any notice or document (including a share certificate) on any Member who is an employee of the Company or any subsidiary of the Company at his last known place of work in the Company or any subsidiary by sending it through the Company's internal postal arrangements and service shall be deemed to be effected on the day following that on which the letter containing the same is dispatched in the internal postal systems. The Company's records of such despatch shall be deemed to be proof of such service.

156. Any notice given to that one of the joint holders of a share whose name stands first in the Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.

157. A person entitled to a share in consequence of the death, bankruptcy or mental disorder of a Member or by operation of law or any other event upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the Member but for such an event would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any Member in pursuance of the Articles shall, notwithstanding that such Member be then dead or bankrupt, in liquidation or suffering from mental disorder and whether or not the Company shall have notice of any such event or circumstances, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or first-named joint holder.

158. (A) A Member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.

(B) If on two consecutive occasions notices or other documents have been sent through the post to any Member at his registered address or his address for the service of notice but have been returned undelivered, such Member shall not from then on be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices.

159. Any Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall for all purposes be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was convened.

160. Subject to such restrictions affecting the right to receive notice as are for the time being applicable to the holders of any class of shares, notice of every General Meeting shall be given in any manner hereinbefore authorised to:

- (a) every Member except those Members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;
- (b) the Auditor for the time being of the Company; and
- (c) the Board.

No other person shall be entitled to receive notices of General Meetings.

161. (A) Any notice required to be given by the Company to the Members, or any of them, and not expressly required by the Articles or the Acts to be given in any particular manner, may be sufficiently given by advertisement.

(B) Without prejudice to the generality of paragraph (A) of this Article, if at any time the Company is unable effectively to convene a General Meeting or a meeting of the holders of any class of shares in the Company by notices sent through the post in the United Kingdom as a result of the suspension or curtailment of postal services, notice of such meeting may be given by advertisement in the United Kingdom. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

(C) Any notice given by advertisement shall be advertised on the same date in at least two leading daily newspapers in the United Kingdom (at least one of which shall be a national newspaper) and such notice shall be deemed to have been served at noon on the day when the advertisement appears.

Winding up

162. If the Company shall be wound up the liquidator may, with the sanction of an Extraordinary Resolution of the Company and any other sanction required by and subject to the provisions of the Acts, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities in respect of which there is any liability.

Untraced Shareholders

163. (A) The Company shall be entitled to sell the shares of a Member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:-

- (i) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the later one) at least three dividends in respect of the shares in question have become payable and all warrants and cheques in respect of the shares in question sent in the manner authorised by the Articles have remained uncashed; and

(ii) the Company shall on expiry of the said period of 12 years have inserted advertisements, in both a national daily newspaper and a newspaper circulating in the area in which the last known address of the Member or the address at which service of notices may be effected in accordance with the Articles is located, giving notice of its intention to sell the shares; and

(iii) during the said period of 12 years and the period of three months following the publication of the said advertisements the Company shall have received indication neither of the whereabouts nor of the existence of such Member or person; and

(iv) Notice shall have been given to the London Stock Exchange of its intention to make such sale.

(B) To give effect to any such sales the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares, and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company, which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or its holding company (if any) as the Board may from time to time think fit.

Indemnity

164. (A) Subject to the provisions of the Acts:-

(i) the Board may from time to time approve the purchase and maintenance of insurance by the Company, for the benefit of any person who is or was at any time a director, other officer, employee or auditor of the Company or of any company which is a subsidiary, subsidiary undertaking, associate or holding company of the Company or who undertakes responsibilities or duties for the benefit of and at the Company's request, against any liability;

(ii) but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director, Auditor, Secretary, employee or officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or employment, or otherwise in relation thereto.

(B) Without prejudice to the generality of the foregoing the Board shall so long as they act reasonably and in good faith, be under no liability to the Company or to any other person for failing to treat any share as a Relevant Share or any person as a Relevant Person in accordance with the provisions of Article 37 and neither shall any of the Board be liable to the Company or any other person if, having acted reasonably and in good faith they determine erroneously that any share is a Relevant Share, or any person is a Relevant Person or on the basis of such determination or any other determination or resolution of the Board, they perform or exercise (or purport to perform or exercise) their duties, powers, rights or discretions under Article 37 in relation to such share.

Names, Addresses and Descriptions of Subscribers

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SW8 2EY

Government Servant

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Government Servant

Dated the 17th day of February 1984

WITNESS to the above signatures:-

CHRISTOPHER BRYAN ROBSON
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Government Servant

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THE BT LICENCE

Attached is a copy of the Licence granted by the Secretary of State for Trade and Industry to British Telecommunications under Section 7 of the Telecommunications Act 1984 ("BT Licence").

**Licence granted by
The Secretary of State for Trade and Industry
to British Telecommunications
under Section 7 of the Telecommunications Act 1984**

22 JUNE 1984 ANNOTATED BY

Licence Amendment dated 23 March 1987
Licence Amendment dated 1 May 1987
Licence Amendment dated 2 June 1987
Licence Amendment dated 23 April 1989
Licence Amendment dated 27 July 1989
Licence Amendment dated 14 November 1989
Licence Amendment dated 24 September 1991
Licence Amendment dated 9 March 1993
Telecommunications (Leased Lines) Regulations 1993/2330 made 24 September 1993
Licence Amendment dated 14 December 1993
Licence Amendment dated 15 September 1994
Licence Amendment dated 31 March 1995
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Licence Amendment dated 29 July 1996

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LICENCE GRANTED TO BRITISH TELECOMMUNICATIONS TO RUN TELECOMMUNICATION SYSTEMS UNDER SECTION 7 OF THE TELECOMMUNICATIONS ACT 1984

THE LICENCE

- 1 The Secretary of State, in exercise of the powers conferred on him by section 7 of the Telecommunications Act 1984 (hereinafter referred to as "the Act") and of all other powers exercisable by him for that purpose, hereby grants to British Telecommunications (hereinafter referred to as "the Licensee") a licence, for the period specified in paragraph 3, subject to the Conditions set out in Schedule 1 and to revocation as provided for in paragraph 3 and in Schedule 2, to run the telecommunication systems specified in Annex A (hereinafter referred to as "the Applicable Systems") and authorises the Licensee to do all or any of the acts specified in Schedule 3.
- 2 The telecommunications code contained in Schedule 2 to the Act shall apply to British Telecommunications for all purposes except those not relating to the Applicable Systems and subject to the other exceptions and Conditions set out in Schedule 4 for so long as this Licence is one to which section 8 of the Act applies.
- 3 This Licence shall enter into force on the day appointed under section 2 of the Act for the purposes of Part II of the Act and shall be of 25 years' duration in the first instance but, without prejudice to Schedule 2 to this Licence, shall be subject to revocation thereafter on ten years' notice in writing of such revocation and such notice shall accordingly not be given before the end of the fifteenth year after the granting of this Licence.

RT HON NORMAN TEBBIT MP

SECRETARY OF STATE FOR TRADE AND INDUSTRY

22 JUNE 1984

SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

PART 1: DEFINITIONS, INTERPRETATIONS AND TRANSITIONAL PROVISIONS RELATING TO THE CONDITIONS IN SCHEDULE 1

- 1 In these Conditions unless the context otherwise requires:
- (a) "Apparatus Production Company" has the meaning given to it in Condition 21;
 - (b) "Apparatus Supply Business" has the meaning given to it in Condition 18;
 - (c) "Authorised Overseas System" means any telecommunication system outside the United Kingdom which is authorised to be connected to the Applicable Systems under Schedule 3;
 - (d) "Bringing into Service" means the process of connecting by means requiring the use of a tool telecommunication apparatus (including apparatus comprised in a telecommunication system) or a telecommunication system to another telecommunication system, or the process of disconnecting by such means such apparatus or such system from another such system; and includes such testing or inspection of that apparatus or system and any other apparatus or system to which it is or is to be connected as is necessary for the purpose of ensuring that the apparatus or the system in which it is or is to be comprised, or the system, is authorised to be connected to any of the Applicable Systems; and expressions cognate with "Bringing into Service" shall be construed accordingly;
 - (e) "Call Box Services" and "Public Call Box" have the meanings given to them in Condition 11;
 - (f) "Connectable System" and "Connection Service" have the meanings given to them in Condition 13;
 - (g) "cost" includes a reasonable profit;
 - (h) "to dial" includes any equivalent operation;
 - (i) "Emergency" means an emergency of any kind including any circumstance whatever resulting from major accidents, natural disasters and incidents involving toxic or radio-active materials;
 - (j) "Emergency Organisations" has the meaning given to it in Condition 6;

- (k) "Exchange Line" means telecommunication apparatus (within the meaning of Schedule 2 to the Act) comprised in the Applicable Systems and installed for the purpose of connecting a telephone exchange run by the Licensee to a Network Termination Point comprised in Network Termination and Testing Apparatus installed by the Licensee on premises within the Licensed Area for the purpose of providing voice telephony services at those premises;
- (l) "International Connection Service" means a telecommunication service consisting in the conveyance of any Message which has been conveyed or which is to be conveyed by means of any telecommunication system outside the United Kingdom the connection of which to the system by means of which that service is provided is authorised by a Licence;
- (m) "Licence" means a licence granted or having effect as if granted under section 7 of the Act;
- (n) "Licensed Area" means the United Kingdom other than the area in which the City of Kingston upon Hull is licensed to run telecommunication systems under a Licence coming into force on the date on which this Licence enters into force;
- (o) "Licensee's Group" means the Licensee and all of its Subsidiaries taken together;
- (p) "Limited Maintenance Telecommunication System" and "Limited Maintenance Telecommunication Apparatus" mean any telecommunication system or telecommunication apparatus as the case may be which is, or is to be, run under a Licence which requires Maintenance Services to be provided in respect of it, if it is, or is to be, connected to any of the Applicable Systems, by either the Licensee or the person running any other public telecommunication system to which it is, or is to be, connected;
- (q) "Local Authority" has the same meaning as in section 97 of the Act;
- (r) "Maintenance Services" means in relation to any apparatus which has been installed:
 - (a) Pre-Maintenance Inspection;
 - (b) carrying out repairs;
 - (c) verifying or ensuring that:
 - (i) the apparatus performs in accordance with its specification or as may be required by the operator of the Connectable System in which such apparatus is incorporated;

- (ii) the apparatus continues to comply with any condition contained in an approval of that apparatus under section 22 of the Act or in the designation of a standard under that section;
- (iii) any terms or conditions regarding the apparatus or its connection or use that may be stipulated by the Licensee and which must be observed if the Connectable System is or is to remain connected to the Applicable Systems are observed;
- (d) any activity involving the removal of the outer cover of the apparatus or alteration of the apparatus including alterations of any stored commands capable of affecting the compliance of the apparatus with the technical requirements and conditions mentioned in (c) above; or
- (e) any activity involving the use of any test apparatus or other equipment not forming a permanent part of the apparatus;

but shall not include operations incidental to the installation, Bringing into Service or routine use of the apparatus to convey Messages;

- (s) "Message" means anything falling within paragraphs (a) to (d) of section 4 (1) of the Act;
- (t) "Network Connecting Apparatus", "Network Termination Point" and "Network Termination and Testing Apparatus" have the meanings given to them in Annex A;
- (u) "Operator" has the meaning given to it in Condition 13;
- (v) "Pre-Maintenance Inspection" means any inspection reasonably necessary to ensure that apparatus has been properly installed in a manner rendering it fit to be maintained by the person making the inspection, but does not include any inspection for the purpose of Bringing into Service;
- (w) "Private Circuit" means a circuit which is:
 - (a) provided by means of a telecommunication system comprised in the Applicable Systems;
 - (b) made available to a particular person or particular persons for the conveyance of Messages between fixed points within that system; and
 - (c) installed in such a way that persons sending Messages by means of that circuit are not able to select the destination within that system to which Messages are conveyed;

and a "Relevant Private Circuit" means a Private Circuit, not being a Private Circuit provided by the Licensee for another public telecommunications operator, where:

- (i) at least one Network Termination Point of which is located within the United Kingdom and all the network termination points of that circuit, and of any half circuit to which it is connected, are located within the European Economic Community; and
 - (ii) the agreement between the Licensee and the user to provide the Private Circuit does not provide for messages to be conveyed thereby to be routed via a satellite link (notwithstanding that they may be so conveyed);
- (x) "Public Emergency Call Service" has the meaning given to it in Condition 6;
 - (y) "Relevant Connectable System" has the meaning given to it in Condition 13;
 - (yA) "Relevant Service" means any service which is provided in whole or in part by means of any of the Applicable Systems and which could have been provided on 30 April 1987 under and in accordance with the Class Licence for the running of telecommunication systems providing value added and data services granted by the Secretary of State on 30 April 1987 in whole or in part by means of a telecommunication system the running of which was authorised by that Licence;
 - (z) "Relevant Terminal Apparatus" has the meaning given to it in Annex A;
 - (aa) "Served Premises" has the meaning given to it in Annex A;
 - (bb) "Subsidiary" has the same meaning as in section 154 of the Companies Act 1948;
 - (bbA) "Supplemental Services Business" has the meaning given to it in Condition 18;
 - (cc) "Systems Business" has the meaning given to it in Condition 18;
 - (dd) "Telephone" means an item of telecommunication apparatus capable when connected to the Licensee's public switched telephone network of transmitting and receiving uninterrupted simultaneous two way speech conveyed, or as the case may be to be conveyed, by means of that network;

(ee) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107;

(eeA) "users" means end users and service providers, including telecommunications organisations where the latter are engaged in providing services which are or may be provided also by others;

(ff) "Wholly Owned Subsidiary" means a body corporate all the issued shares in which are held by or on behalf of the Licensee.

2 The Interpretation Act 1978 shall apply for the purpose of interpreting these Conditions as if they were an Act of Parliament.

3 Any word or expression used in these Conditions shall unless the context otherwise requires have the same meaning as it has in the Act.

4 For the avoidance of doubt it is hereby declared that for the purposes of these Conditions references to the supply of telecommunication apparatus do not include the making available of apparatus comprised or to be comprised in any of the Applicable Systems.

5 For the purposes of interpreting these Conditions headings and titles to any Condition shall be disregarded.

6 Nothing which the Licensee may do, or omit to do, after the date on which any provision of these Conditions enters into force shall be held to constitute a failure to comply with an obligation imposed on the Licensee by or under these Conditions to the extent that the Licensee is obliged to do or to omit to do (as the case may be) that thing by the terms of any contract subsisting immediately before that date; but any contract which takes effect as from the appointed day by virtue of paragraph 12 of Schedule 5 to the Act shall not be treated for the purposes of these Conditions as a contract subsisting immediately before the date on which these Conditions enter into force.

7 Without prejudice to the generality of paragraph 6 above, nothing which the Licensee may do, or omit to do after 1 May 1987 shall be held to constitute a failure to comply with an obligation imposed on the Licensee by virtue of any of the amendments made to these Conditions on that date to the extent that the Licensee is obliged to do or to omit to do (as the case may be) that thing by the terms of any contract subsisting immediately before 14 November 1986.

8 Any reference in any of these Conditions, however expressed, to the Director notifying the Licensee of any matter, consulting the Licensee about any matter, affording the Licensee an opportunity to make representations, taking representations made by the Licensee into account, or explaining, or giving reasons for, any matter to the Licensee, shall be without prejudice to any obligation of due process or similar obligation which the Director is or may be under by virtue of any rule or principle of law or otherwise.